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Congressman Larson Introduces Lifelong Learning Accounts Act

HARTFORD, CT—Today at Capital Community College, U.S. Congressman John B. Larson (CT-01), Chairman of the House Democratic Caucus, announced that he will introduce legislation to help workers save money for education and job training through the creation of worker-owned, employer-matched educational accounts. The Lifelong Learning Accounts Act will give our country's workers the chance to pursue training and educational opportunities and support their personal growth and the economic competitiveness of the United States.

Congressman Larson was joined at today's announcement by Chancellor Marc Herzog of Connecticut Community Colleges System, Amy Sherman of the Council for Adult and Experiential Learning (CAEL), Maura Banta from IBM, and Alice Pritchard from the Campaign for a Working Connecticut

"Now more than ever, continuing training and education are invaluable for workers to remain competitive in the job market. The Lifelong Learning Accounts Act recognizes this fact and provides workers with the ability and flexibility to further their education while they work, throughout their careers. By providing an opportunity for workers to participate in these types of employer-matched savings accounts, this bill will provide a significant tool to make it easier for millions of Americans to continue their education," said Congressman Larson.

Lifelong Learning Accounts (LiLAs) can be used to save for a wide range of educational opportunities, including part time education, job training, and apprenticeships. The bill provides several financial incentives to workers and employers to participate. Like a 401(k), employers can choose to match workers' contributions, and contributions to the accounts will grow tax-free. A total of \$2,500 can be contributed to the account during a year, and workers can receive up to a \$750 tax credit for making these contributions.

In addition, employers have the option of contributing as well and will receive a 25% tax credit on their contributions. The accounts will also be portable and worker-owned, meaning that they will stay with the individual even if they lose their job, switch jobs, or stop working.

The Council for Adult and Experiential Learning (CAEL) has been a pioneer in finding ways to give working adults the opportunity to advance. They conducted a successful multi-site LiLA demonstration program and have worked with several states that have adopted pilot programs.

“Lifelong Learning Accounts are a win for both employers and employees. In pilot programs across the country, workers are using their LiLAs to pay for everything from industry certificates to graduate level degrees,” stated Amy Sherman, Associate Vice President of CAEL. ***“We have seen workers who have been promoted, earned more, and moved into hard-to-fill positions in high demand fields, such as healthcare, advanced manufacturing and IT. LiLAs help give workers the means to get the education and training they need to achieve their career goals. Under the leadership of Representative Larson and his colleagues, we are excited to see LiLAs move to the next level.”***

IBM, a world leader in innovation and technology, is an innovator in employer-matched savings accounts through its Personal Learning Accounts Program.

“IBM commends Congressman Larson and his colleagues for introducing the Lifelong Learning Accounts Act,” said Stanley S. Litow, IBM Vice President of Corporate Citizenship & Corporate Affairs, and President of IBM's Foundation. ***“We are strong proponents of this concept. We successfully launched a similar program for IBM employees in 2007. Thousands of IBMers have taken advantage of it, and have viewed it very positively. It’s a terrific collaborative effort: We cultivate a more dedicated, diverse, versatile and skilled workforce, while employees broaden their skills and horizons in an affordable way, and become more valuable to the company.”***

The Skills2Compete-Connecticut campaign, led by the Campaign for a Working Connecticut, seeks to raise awareness of the need to train Connecticut residents for middle-skill jobs, which require more than a high school education but less than a four-year degree.

Alice Pritchard, Executive Director of Campaign for a Working Connecticut, stated, ***“If we are to realize Connecticut's full economic potential, access to training that prepares workers for middle skill jobs is imperative.□ Congressman Larson understands the importance of investing in education and this legislation will make a real difference in the career opportunities of Connecticut's workers and the competitiveness of our businesses.”***

Congressman Larson added, ***“As we continue to transition into a knowledge-based economy, the workers of Connecticut and our nation must have the opportunity to further their education in the way they see fit. The global economy is moving too fast, and it will be to our own detriment if we do not provide an opportunity for workers to further their education and properly save to finance the costs.”***

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